

## Message Text

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ACTION EB-08

INFO OCT-01 ARA-06 EA-07 ISO-00 FEA-01 ERDA-05 AID-05

CEA-01 CIAE-00 COME-00 DODE-00 FPC-01 H-01 INR-07

INT-05 L-03 NSAE-00 NSC-05 OMB-01 PM-04 USIA-06

OES-06 SP-02 SS-15 STR-04 TRSE-00 ACDA-07 /101 W

-----010557Z 088395 /22

R 310822Z MAR 77

FM AMEMBASSY JAKARTA

TO SECSTATE WASHDC 153

AMEMBASSY BRASILIA

INFO AMCONSUL RIO DE JANIERO

LIMITED OFFICIAL USE JAKARTA 4096

E.O. 11652: N/A

TAGS: ENRG, EMIN, ID, BR

SUBJECT: POSSIBLE GOI-BRAZIL OIL/IRON ORE SWAP

1. GOI HAS QUIETLY APPROACHED BRAZILIAN MINING CONERN, CVRD, REGARDING POSSIBLE SWAP DEAL INVOLVING INDONESIAN CRUDE FOR HIGH GRADE BRAZILIAN IRON ORE. AS WE UNDERSTAND IT, INDONESIA REQUIRES INITIALLY 500,000 MT IRON ORE FOR START UP ITS KRAKATAU INTEGRATED STEEL MILL IN WEST JAVA. BRAZILIAN ORE SELECTED BECAUSE OF ITS APPARENTLY HIGH FE CONTENT (BETTER THAN 65 PERCENT). BY 1980, THREE MILLION TONS/YEAR IRON ORE WILL BE REQUIRED.

2. IN RETURN FOR ORE, GOI DISCUSSING POSSIBLE SWAP OF UP TO 100,000 B/D LIGHT CRUDE. PRESENT SUPPLY SITUATION IS TIGHT BUT PERTAMINA, STATE OIL COMPANY, APPARENTLY HAS SOME OIL IT COULD MAKE AVAILABLE. INTIAL CONTACTS HAVE BEEN THROUGH CORRESPONDENCE AND LAST WEEK DELEGATION FROM CVRD MET WITH NATIONAL PLANNING BOARD (BAPPENAS) OFFICIALS IN JAKARTA. NO DECISIONS YET REACHED. NEXT STEP EVIDENTLY CALLS FOR DISCUSSIONS BETWEEN PERTAMINA AND PETROBRAS. DEAL EVIDENTLY HINGES

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ON WHETHER TRANSPORTATION COSTS MAKE SWAP FEASIBLE.

3. COMMENT: PERTAMINA IS REPORTEDLY NOT ENTHUSIASTIC ABOUT SWAP DEAL, PARTICULARLY AT TIME WHEN INDONESIAN CRUDE IS SELLING WELL IN WORLD MARKETS. OFFICIALS IN OIL AND GAS DIRECTORATE ALSO OPPOSED ON GROUNDS THAT SWAP ARRANGEMENTS AMOUNT TO FORM OF DISGUISED

DISCOUNT. THERE IS LITTLE DOUBT, HOWEVER, THAT PERTA-  
MINA WILL GO ALONG AND HELP ARRANGE DEAL IF SO ORDERED  
AS WAY OF SAVING THIS TROUBLED PROJECT.  
NEWSOM

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** IRON, PETROLEUM, BARTER TRADE  
**Control Number:** n/a  
**Copy:** SINGLE  
**Sent Date:** 31-Mar-1977 12:00:00 am  
**Decaption Date:** 01-Jan-1960 12:00:00 am  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1977JAKART04096  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D770111-0840  
**Format:** TEL  
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**Handling Restrictions:** n/a  
**Image Path:**  
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**Line Count:** 66  
**Litigation Code IDs:**  
**Litigation Codes:**  
**Litigation History:**  
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**Message ID:** 0ab2d4b4-c288-dd11-92da-001cc4696bcc  
**Office:** ACTION EB  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
**Review Date:** 01-Dec-2004 12:00:00 am  
**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 3048299  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** POSSIBLE GOI-BRAZIL OIL/IRON ORE SWAP  
**TAGS:** ENRG, EMIN, ID, BR  
**To:** STATE BRASILIA  
**Type:** TE  
**vdkgvwkey:** odbc://SAS/SAS.dbo.SAS\_Docs/0ab2d4b4-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
Margaret P. Grafeld  
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EO Systematic Review  
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